

INTERVENTION
ORIGINAL



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Arizona Corporation Commission

DOCKETED

MAY 25 2004

Attorney for Intervenor-Applicant
IBEW Local 387

AZ CORP COMMISSION
DOCUMENT CONTROL

BEFORE THE ARIZONA

CORPORATION COMMISSION

DOCKETED BY

CAJ

Docket No. W-01445A-04-0013

IN THE MATTER OF THE
APPLICATION OF ARIZONA WATER
COMPANY, AN ARIZONA
CORPORATION, TO EXTEND ITS
EXISTING CERTIFICATE OF
CONVENIENCE AND NECESSITY
WITHIN THE TOWN OF PINETOP-
LAKESIDE, NAVAJO COUNTY,
ARIZONA

IBEW LOCAL 387'S
APPLICATION TO INTERVENE

Pursuant to the provisions of A.A.C. R14-3-105(A) and (B),
Local Union 387, International Brotherhood of Electrical Workers,
AFL-CIO ("IBEW Local 387"), by and through undersigned counsel,
hereby moves the Arizona Corporation Commission for leave to
intervene as a party in the above-captioned matter.

IBEW Local 387 is "directly and substantially affected by
the proceedings," *id.*, inasmuch as it is the exclusive
representative of a large group of employees of the Arizona Water
Company ("AWC"). See, attached Exhibit A, p. 2. As a result of
this relationship, IBEW Local 387 and AWC have a comprehensive
collective bargaining agreement concerning rates of pay, wages,
hours of employment, and other conditions of employment which,
obviously, have a direct impact on both the affected employees

1 Based on the above, IBEW Local 387 not only has a direct
2 interest in Arizona Water Company's proposed addition to its
3 certified area within the town of Pinetop-Lakeside as proposed in
4 the January 13, 2004 Application to Extend Existing Certificate
5 but there is a substantial risk that this case may impair the
6 Union's interest absent its being permitted to intervene into the
7 above-captioned matter. Because Ariz. Const. Art. XV, §3
8 expressly provides that "[t]he Corporation Commission shall...
9 make and enforce reasonable rules, regulations, and orders for
10 the convenience, comfort, and safety, and the preservation of the
11 health, of the employees and patrons of [public service
12 corporations]," IBEW Local 387 is quite confident that its
13 participation in these proceedings will not unduly broaden the
14 issues presented herein. Similarly, because none of the existing
15 parties adequately protect the interests of IBEW Local 387, the
16 Union is quite confident that its participation in these
17 proceedings will lead to a more well-reasoned decision on the
18 part of the Arizona Corporation Commission.

19 **WHEREFORE,** it is respectfully requested that IBEW Local 387
20 be permitted to intervene in the above-captioned matter as a
21 party.

22 RESPECTFULLY SUBMITTED this 25th day of May, 2004.

23 LUBIN & ENOCH, P.C.
24 

25 Nicholas J. Enoch, Esq.
26 Attorney for Intervenor-Applicant
27
28

///

1 Original and Thirteen (13) copies
2 of IBEW Local 387's Application
3 to Intervene filed this 25th day
4 of May, 2004, with:

5 Arizona Corporation Commission
6 Docket Control Center
7 1200 West Washington Street
8 Phoenix, Arizona 85007-2996

9 Copies mailed this same date to:

10 Chairman Marc L. Spitzer
11 Arizona Corporation Commission
12 1200 West Washington Street
13 Phoenix, Arizona 85007

14 Commissioner Jeff Hatch-Miller
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EXHIBIT A

AGREEMENT

between

ARIZONA
WATER
COMPANY

and

INTERNATIONAL
BROTHERHOOD
OF
ELECTRICAL WORKERS
Local Union No. 387

TERM: JANUARY 17, 2004 through DECEMBER 31, 2004

ORIGINAL

ARIZONA WATER COMPANY
and
INTERNATIONAL BROTHERHOOD OF ELECTRICAL WORKERS
LOCAL UNION NO. 387

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and
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AGREEMENT

THIS AGREEMENT is entered into this **28th** day of **January, 2004** by and between ARIZONA WATER COMPANY, hereinafter referred to as the "Company", and the INTERNATIONAL BROTHERHOOD OF ELECTRICAL WORKERS, LOCAL UNION NO. 387, of Phoenix, Arizona, affiliated with the American Federation of Labor and the Congress of Industrial Organizations, hereinafter referred to as the "Union", covering full-time employees performing work in classifications shown on Appendix A attached hereto ("Employees") and made a part hereof.

ARTICLE I - NO STRIKE - NO LOCKOUT

Section 1. During the term of this Agreement and during any period of time while negotiations are in progress between the parties hereto for the extension or renewal of this Agreement, the Company agrees that there will be no lockout.

Section 2. During the term of this Agreement and during any period of time while negotiations are in progress between the parties hereto for the extension or renewal of this Agreement, the Union agrees that under no circumstances will the Union or the Employees authorize, engage in, instigate, cause, permit, encourage or take part in any: concerted failure to report to work, cessation or interruption of work, slowdown, strike, boycott, or any other type of organized interference, coercive or otherwise with the Company's business ("Actions").

The Company agrees, as part of the consideration for this Agreement, that neither the Union, its officers, or agents shall be liable for damages for Employees' Actions listed in the preceding paragraph if:

- a. Within twenty-four (24) hours after receiving written notice from the Company informing the Union of any such Actions, the Union gives written notice to the Company that it has not authorized, engaged in, instigated, caused, permitted, encouraged or taken part in any such Actions;
- b. Copies of the Union's notice described in (a) above are posted immediately by the Union on Company bulletin boards;
- c. The Union further cooperates with the Company in getting the Employees to return and remain at work.

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It is recognized that the Company has the right to take disciplinary action, including discharge, against any Employees who authorize, engage in, instigate, cause, permit, encourage or take part in any such Actions, subject to the Union's right to present a grievance on such discipline in cases in which an issue of fact exists as to whether or not any particular Employee has authorized, engaged in, instigated, caused, permitted, encouraged or taken part in any such Actions.

ARTICLE II - RECOGNITION

Section 1. The Union is recognized as the exclusive bargaining agent for Employees. Representatives of the Company will meet with the Union representatives in reference to grievances which may arise during the term of this Agreement, but nothing in this Agreement shall prevent or preclude any Employee from going to his/her immediate Supervisor or Division Manager respecting matters relating to such Employee. However, nothing in this Section shall be construed to prevent the Union Steward from taking matters up with the immediate Supervisor or Division Manager.

Section 2. When the Company requires a new Employee in any classification included in this Agreement, the Company may request the Business Manager of the Union to send qualified personnel to fill the Company's requirement or the Company may fill its own requirements through its Personnel Department. In either event, when any new Employee is hired, the Company will forward the Employee's name, classification, address and date of hire to the Business Manager of the Union and the Company will provide a list of all Employees included in this Agreement to the Union on or before January 15 and July 15 of each year.

ARTICLE III - CHECK-OFF

Section 1. The Company agrees to deduct the dues of Union members bimonthly and pay such dues to the Financial Secretary of the Union, provided:

- a. The deductions are on a voluntary basis on the part of each Union member;
- b. The deductions are authorized by each Union member on an individually signed authorization for payroll deduction form provided to the Company by the Financial Secretary of the Union;
- c. The Union members are permitted to discontinue such deductions upon written request to the Company to discontinue such deductions.

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Section 2. The Union shall hold the Company harmless with respect to any claim, suit, judgment, or other liability for any money deducted under this provision and forwarded to the Financial Secretary of the Union.

ARTICLE IV - UNION REPRESENTATIVES

Section 1. The Company recognizes the Union's right to appoint Union Stewards in accordance with the Union's Constitution and By-Laws. However, the Company will only recognize such Union Stewards after proper notification, in writing, from the Union.

Section 2. No Employees shall engage in Union activities or business during working hours, unless specifically authorized by the Division Manager. The Company will in no way discriminate against any Union Steward for proper performance of Union duties.

ARTICLE V - RIGHTS OF MANAGEMENT

Section 1. The management of the Company and its properties, and the direction of its working force, including, but not limited to, the right to: hire, promote, demote, transfer, assign and direct Employees; sell, lease, or transfer all or part of the business; move, transfer, or change the location of part or all of the operations; discipline, suspend, discharge, or retire Employees; make and enforce Company rules and regulations; increase or decrease the work force; determine the work to be performed, the Employees' performance and methods to be employed; establish quality and work standards; discontinue or relocate any or all portions of the operations now or hereinafter covered or carried out at the locations covered by this Agreement; schedule and reschedule hours, including overtime as provided herein; determine and redetermine job content, job classifications, and qualifications required for the job, with notice provided to the Union and the opportunity to confer with the Company on such; establish procedures to maintain safety, efficiency and order; suspend or discharge Employees for cause; relieve Employees from duty because of lack of work or other legitimate reason; contract out, providing Employees are not laid off as a direct result of such contracting out; are vested exclusively in the Company.

Section 2. All functions, rights, powers or authority of the Company are expressly retained by the Company, unless specifically delegated, modified or abridged by this Agreement.

ARTICLE VI - SENIORITY

Section 1. In all cases of transfer, promotion, decrease of personnel, or recall after layoff, the following factors shall be considered, and where factors (a) and (b) are substantially

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equal, factor (c) shall govern:

- a. Knowledge, training, ability, skill, adaptability, efficiency and absenteeism;
- b. Physical fitness;
- c. Seniority (which is defined as length of continuous employment).

Section 2. The following procedure shall be followed in the event of a reduction in work force:

- a. The position to be eliminated and all Employees occupying the position shall be identified;
- b. An Employee affected may elect to take the layoff and remain eligible for recall for a twelve (12) month period, or;
- c. Bump in accordance with the following limitations:
 - [1] Bump the least senior Employee in the same classification within the Division or on a Company-wide basis, or;
 - [2] Bump a less senior Employee in a lower classification in the same geographical area.
- d. Recall from layoff will be in reverse order of the layoff and Employees shall not have their recall eligibility jeopardized until they are returned to their original classification and geographical location or the twelve (12) month period lapses, whichever is sooner.
- e. Any relocation expense resulting from layoff or bumping procedure shall be borne by the Employees. However, should the Company require an Employee to relocate, the Company shall reimburse the Employee for reasonable relocation expenses.
- f. Layoff and bumping procedures shall not apply when a system or Division, or a part thereof, is sold except to the extent that the purchaser does not offer similar employment to the Employee(s) affected.

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Section 3. New Employees and those rehired after a break in continuous service shall be on probation for a period of six (6) months, during which time they may be terminated at the exclusive discretion of the Company with no recourse under the grievance procedures. If such Employees remain actively and continuously in the employ of the Company for six (6) months, they will then acquire seniority dated back to the first day of continuous employment.

Section 4. An Employee will lose all seniority for:

- a. Layoff exceeding twelve (12) months due to lack of work or other causes beyond the control of the Company.
- b. Failure to return when called back to work after a layoff within ten (10) working days from the date of mailing of notice by the Company to the Employee at the Employee's last known address as shown by the records of the Company (a copy of said notice shall be provided to the Union Steward).
- c. Absence due to accident or sickness exceeding six (6) months after use of all available sick leave and vacation, or failure of such absent Employee to furnish a doctor's certificate within not more than five (5) days when requested by the Company. An Employee shall, if requested by the Company, submit to an examination from time to time by the Company's physician at the Company's expense, and the report of the Company's physician respecting the Employee's ability or inability to return to the Employee's duties within such six (6) month period shall be binding and conclusive.
- d. Voluntary termination or discharge for proper cause by the Company.
- e. Absence of three (3) consecutive days without reporting to the Employee's supervisor or the Division Manager except where extenuating circumstances prevent the Employee from reporting.

Section 5. Layoffs of less than twelve (12) months or leaves-of-absence granted by the Company shall not constitute a break in continuous service. Past continuous service credit shall be retained, but not accumulated, during the period of such absence. In the event of layoffs, the Company will notify non-probationary Employees to be released, by letter, at least two weeks in advance of such layoffs. Such Employees shall not be required to utilize accumulated vacation during the layoff.

Section 6. When new positions are created or vacancies occur, notices of such new

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positions or vacancies shall be posted on the bulletin boards of the Company for a period of one (1) week during which period of time applications will be received by the Company from non-probationary Employees for such positions or vacancies. The posting period will be two (2) weeks when any Employee considered qualified and capable of handling the job is absent on vacation and management is unable to notify the Employee of the posting. The Company will set forth in said notices the nature of the position, the duties and qualifications, the rate of pay, and shall indicate the promotional progression. The factors contained in Section 1 of this Article shall be considered by the Company in making the selections to fill such positions or vacancies. The Company may temporarily fill such positions until the position or vacancy is filled as provided herein. If no qualified applications are received for the position or vacancy at the end of the posting period, the Company may fill such positions or vacancies. When temporary jobs of three (3) months duration or less are established, no posting will be necessary.

Employees who file applications for posted jobs will be interviewed in person where practical, or by telephone. All Employees who have filed applications for posted jobs shall be notified of the outcome.

When an Employee applies for transfer to a position in a system or Division and is accepted by the Company for transfer, the Employee must report to work in the new position on the date specified in the Job Vacancy Notice, or such later date as agreed to by the Company at its sole discretion.

Section 7. When an Employee, qualified and capable of performing the job, is temporarily assigned to a higher classification, the Employee shall receive the applicable rate of pay for the higher classification during the entire period of the assignment.

Section 8. The Company will employ a qualified Senior Serviceman or Senior Servicewoman in each Division where a Union classification is required.

In order to qualify as a Senior Serviceman or Senior Servicewoman, an Employee must have progressed through all steps as a Serviceman or Servicewoman, and must have obtained a Grade 3 Water Distribution System Operator's Certificate from the Arizona Department of Environmental Quality ("ADEQ").

After the Employee has progressed through all steps as Serviceman or Servicewoman and obtained said Certificate, the Employee shall not be promoted to the Senior Serviceman or Senior Servicewoman classification until an opening occurs. Promotion to Senior Serviceman or Senior Servicewoman shall be governed by Article VI, Section 1 and Section 8 of this Agreement.

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Section 9. The Company is required to comply with the certification requirements of ADEQ. Any Employee occupying, or wishing to occupy, a position or performing duties such that ADEQ requires a specific grade of Water Distribution and/or Water Treatment Certificate of Registration as a Certified Operator must have obtained and currently possess the certificate required by ADEQ.

ARTICLE VII - NON-DISCRIMINATION

The Company, the Union, and Employees will not discriminate against any Employee or applicant because of race, religion, color, sex, age, national origin or non-disqualifying disability or handicap. Terms indicating gender in this Agreement include either sex.

ARTICLE VIII - WORKING HOURS AND OVERTIME PREMIUMS

Section 1. Eight (8) hours shall constitute a day's work and five (5) such consecutive days, from Monday through Friday, shall constitute a week's work. Unless otherwise provided for in mutually agreed schedules signed by the Company and the Business Manager of the Union, or by mutual agreement between the Employees and the Division Manager in writing and approved by the Union, the hours of work shall be four (4) hours from 8:00 A.M. to 12:00 noon, and four (4) hours from 1:00 P.M. to 5:00 P.M. Except as provided below, work performed beyond eight (8) hours in any day, Monday through Friday, and all hours worked on Saturday, shall be paid for at the rate of time and one-half. Work performed on Sundays, recognized Holidays, and between the hours of 12:00 midnight and 6:00 A.M. shall be paid at the rate of double time.

Section 2. The nature of the Company's business, its obligation to its customers, and a requirement of all job classifications is that Employees must be available for work in the event of an emergency and to work scheduled overtime. Within each Division, Employees shall provide reasonable notice to their immediate supervisor of their availability and a telephone number or other means of contact in the event of an emergency. Also within each Division, Employees shall cooperate to the extent that at least one Employee remains reasonably available within the geographic area to respond to emergency service requests. Employees off work who are called to perform emergency work shall be paid at the appropriate rate of overtime pay from the time they leave home until they return home or until the commencement of their normal workday schedule, whichever is sooner, with a minimum of two (2) hours at their straight-time rate guaranteed when Employees do not commence their normal workday prior to the time they return home.

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Section 3. When Employees are required to work an extended day exceeding twelve (12) hours total because of emergency work requirements, the Company will, when reasonably possible, provide a meal to such Employees at Company expense. If the Company is unable to provide a meal to such Employees, the Company will reimburse each such Employee the cost of a meal up to fifteen dollars (\$15.00). Eating time will be unpaid.

Section 4. Should the Company determine a long term assignment requiring, by the nature of the job, modification of the provisions of Section 1, the Union and the Company shall mutually agree to a method of assigning personnel and to the work week and overtime provisions of the position(s).

Section 5. Notwithstanding Article XI, Section 5, if an Employee requests a change in his regular work schedule for a given day by up to one hour earlier or later than his regular work schedule and/or by working through his normal lunch period, he must request and may be granted such a change in his regular work schedule in the sole discretion of his Supervisor subject to the following limitations: a) prior approval must be obtained from the Supervisor for the requested change in the Employee's regular work schedule; b) such change in the Employee's regular work schedule must not result in additional overtime costs, interfere with the Company's normal operations, or negatively impact customer service; and c) this provision is intended for the infrequent or occasional request only and is not to be used to shift an Employee's regular work schedule beyond a given day.

ARTICLE IX - HOLIDAYS

Section 1. Holidays with pay shall be as follows: New Year's Day; President's Day; Memorial Day; Independence Day; Labor Day; Columbus Day; Veteran's Day; Thanksgiving Day; day after Thanksgiving Day; December 24; and Christmas Day.

When any holiday falls on a Saturday, the preceding Friday shall be observed as the holiday. When any holiday, excepting December 24, falls on a Sunday, the following Monday will be observed as the holiday. When December 24 falls on Friday or Sunday, the preceding Thursday or Friday, as the case may be, shall be observed as the holiday.

Section 2. Full-time Employees will receive holiday pay if they are in a pay status during the pay period in which the holiday falls and either work the scheduled work days immediately prior to and following the holiday or are on authorized leave previously approved by their Supervisor on such work days.

All work performed on the above mentioned holidays shall be paid at the rate of double time in addition to the eight (8) hours of holiday pay.

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ARTICLE X - VACATIONS

Section 1. Employees employed on a continuous full-time basis shall receive 5/6 of a vacation day for each month worked in the previous calendar year. An Employee is not entitled to use vacation time accrued during the current calendar year. The Employee is only entitled to use vacation time accrued in the previous calendar year.

Section 2. After seven (7) years of continuous full-time employment, an Employee shall receive fifteen (15) days of vacation with pay. The Employee shall be entitled to take the fifteen (15) vacation days beginning with the calendar year in which the Employee's eighth (8th) employment anniversary occurs.

After fifteen (15) years continuous full-time employment, an Employee shall receive twenty (20) vacation days with pay beginning with the calendar year in which the Employee's sixteenth (16th) employment anniversary occurs.

After twenty-five (25) years of continuous full-time employment, an Employee shall receive twenty-five (25) vacation days with pay beginning with the calendar year in which the Employee's twenty-sixth (26th) employment anniversary occurs.

Section 3. A vacation day will consist of one (1) working day of eight (8) hours. The vacation period shall consist of twelve (12) months starting January 1 of each year and ending December 31 of each year.

Section 4. Vacation time shall not be cumulative.

Section 5. Vacation pay will be the same pay an Employee receives on the Employee's regular job at straight time.

Section 6. If a holiday occurs during an Employee's vacation, the Employee shall be entitled to an additional vacation day.

Section 7. An Employee who leaves the Company and has given a two-week notice, shall receive vacation pay on a pro-rata basis for vacation earned but not taken, applicable to the current and previous year. If two-week notice is not given, or if an Employee is discharged for cause, such Employee shall not receive pay for current year vacation accrual.

Section 8. Vacation days shall be taken at such time as may be convenient to the Company within the current vacation period.

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Section 9. In the event an Employee is on leave-of-absence or off the Company's payroll within any calendar year, the Employee's vacation accrual for the following year shall be reduced on a pro-rata basis.

Section 10. An Employee who requests time off in addition to the Employee's vacation time may have such request granted, without pay, provided it does not inconvenience the operation of the Company or increase operating expenses.

ARTICLE XI - SICK LEAVE

Section 1. After completing six (6) months of employment, all full-time Employees are eligible for paid sick leave when, because of illness or disability, they are unable to work. Sick leave is accrued monthly at the rate of 5/6 of a day per month and applied in units of one (1) hour. Eighty (80) hours of sick leave are accrued for each twelve (12) full months of employment. Appropriate prorations will be made to sick leave accruals when an Employee is on a leave of absence or is off the Company's payroll for an extended period. Sick leave is cumulative without limit.

Section 2. Sick leave pay is an amount equal to an Employee's regular hourly rate of pay (exclusive of overtime, shift differentials, or other premium rates) less any amount to which the Employee is entitled in the form of workers' compensation or long-term disability insurance. Where sick leave pay is reduced because of workers' compensation or long-term disability insurance entitlements the charge to the Employee's unused sick leave will be correspondingly reduced.

Section 3. Only sick leave accrued to the first day of illness or disability may be used for that illness or disability.

Section 4. With certain limitations, sick leave may be used for an Employee's absence due to the death of a family member. The use of sick leave for the death of a family member shall be limited to three (3) working days, unless a request for additional sick leave has been approved by the Employee's Division Manager. If a member of an Employee's family or household is sick, the Employee may use sick leave and be granted sufficient time off from work to care for, or to make arrangements for the care of, that person.

Section 5. Occasionally, an Employee may require time off to conduct business of a personal nature that cannot be accomplished outside of regular work hours, unless Saturday hours are available. Examples of this type of personal business include renewal of a driver's license or signing the closing papers on a home purchase, etc. Time off for personal business is allowed if sick time is available and is limited to no more than four (4) hours per day and

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eight (8) hours annually, and cannot be used for such things as adding to vacation time, or as additional sick leave. Each hour for which an Employee is excused will be charged against the Employee's unused sick leave. No absence will be authorized for this reason unless it is approved in advance by the Employee's Division Manager and is noted in the "explanation" section of the Employee's time sheet as "personal time."

Section 6. Unused sick leave is not paid upon retirement or termination of employment for any reason and sick leave may not be taken as vacation or added to vacation.

Section 7. Eligible Employees will be paid for sick time up to eight (8) hours each day and their unused sick leave will be reduced an equal amount.

Section 8. Sick leave is allowed only on the basis of a completed Request For Leave (P-3) form approved by the Employee's Division Manager, showing a valid illness, disability, or other absence chargeable against sick leave, reasonably requiring absence from work. In order to be eligible for sick leave pay, Employees must give the Company reasonable notice that they are unable to report to work because of illness or disability. Before any payment is made for sick leave, the Company may require a doctor's certificate and may discuss the nature and seriousness of the sickness or injury with the Employee's doctor.

Section 9. In case of sickness or injury requiring the attention of a doctor and necessitating absence from work for a period of ten (10) or more working days, or in any situation involving a workers' compensation claim, before the Employee may return to work, a completed Statement of Attending Doctor (which is available from the Employee's Supervisor) must be submitted to the Employee's Division Manager, indicating that the Employee is unconditionally released to perform all of the Employee's normal job duties without endangering the Employee's health or safety, or that of other Company Employees. The Company may also require the Employee to submit to the Employee's Division Manager a completed Statement of Attending Doctor at any other time it believes it to be necessary to avoid endangering that Employee's health or safety, or that of other Company Employees.

ARTICLE XII - INSURANCE COVERAGE

Section 1. Group Medical

- a. The Company pays one hundred percent (100%) of the monthly premium for coverage under the Company's Group Medical Plan for each Employee and sixty percent (60%) of the monthly premium for the Employee's eligible dependents. Employees will pay forty percent (40%) of the monthly premium for their eligible dependents.

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- b. The following benefits will accrue to Employees who choose, after ten (10) years of continuous full-time employment, to retire at:
- [1] Age fifty-five - After COBRA coverage ends there would be no Company medical benefits until they reach age sixty-five and/or become eligible for Medicare benefits, at which time they qualify as regular retirees for supplemental Medicare coverage for themselves and their eligible dependents; or
 - [2] Age sixty-two - After COBRA coverage ends Employees and their covered dependents would be eligible for Continuation Coverage at their own expense. Continuation Coverage would then apply until they become eligible for Medicare benefits, at which time they qualify as regular retirees for supplemental Medicare coverage. To obtain Continuation Coverage retirees must make a written election within 30 calendar days prior to the date coverage under COBRA is scheduled to end, and must agree to pay the monthly cost of Continuation Coverage in advance; or
 - [3] Age sixty-five or older upon eligibility for Medicare benefits - Medical benefits for themselves and their eligible dependents to supplement Medicare coverage.

Section 2. Group Dental - The Company pays one hundred percent (100%) of the monthly premium for coverage under the Company's Group Dental Plan for each Employee and sixty percent (60%) of the monthly premium for the Employee's eligible dependents. Employees will pay forty percent (40%) of the monthly premium for their eligible dependents.

Section 3. Group Life Insurance

- a. On the first day of the month coincident with or next following an Employee's completion of three months of continuous full-time employment, through the completion of five years of continuous full-time employment, the Employee will receive life insurance coverage equal to the Employee's annualized base rate of pay, rounded up, if necessary, to the next higher multiple of one thousand dollars. This life insurance coverage will be adjusted each January 1.
- b. On the first day of the month coincident with or next following an Employee's

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completion of five years of continuous full-time employment, the Employee will receive life insurance coverage equal to two times the Employee's annualized base rate of pay, rounded up, if necessary, to the next higher multiple of one thousand dollars. This life insurance coverage will be adjusted each January 1.

- c. Retirees covered by an existing \$2,500 Life Insurance Policy as of January 1, 1996 will continue to be covered.
- d. Premiums for Group Life Insurance will be paid by the Company.

Section 4. Long-Term Disability Insurance - Employees will be covered under the Company's Group Long-Term Disability Insurance Plan. Premiums for this coverage will be paid by the Company and continued at the percentage of insured earnings established with the initial policy contract. Should the premium increase beyond that percentage, the wage rates specified in Appendix "A" of this Agreement may be reduced by the amount necessary to offset the increased premium.

Section 5. Premium costs will be paid by the Company for Employees who are on vacation or receiving payments under sick leave. Absent Employees not receiving such payments may self-pay health care, life and long-term disability insurance premiums in accordance with COBRA provisions or coverage will lapse.

Section 6. If an Employee's insurance coverage ends due to lay-off or leave of absence, the Employee will be eligible for coverage on the first day of the calendar month beginning with or after the Employee's return to active work. For this to happen, the Employee must be in the eligible class and return to work within six months after the date the Employee's coverage ends.

ARTICLE XIII - DRIVER'S LICENSES

Section 1. Every Employee must have an Arizona driver's license of an appropriate class for the type of Company vehicle they are authorized and/or required to operate. Employees must possess a valid license and renew it on a timely basis at their own expense, except that the cost of obtaining and renewing any class of commercial driver's license required by the Company will be paid for by the Company.

Section 2. If for any reason a driver's license is lost, stolen, destroyed, suspended, revoked, or voided, the Employee shall notify the Employee's Division Manager immediately, informing the Division Manager of the circumstance which resulted in the loss

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of the license. The Employee shall take immediate steps to replace the license without delay. If the Employee's work necessitates driving a vehicle, and the Employee's license is suspended or revoked, the Employee may be suspended without pay and may be terminated. Any Employee who receives a civil and/or criminal traffic violation citation, not including a parking or standing violation, shall report such to the Employee's Division Manager immediately, informing the Division Manager of the circumstance which resulted in the issuance of the traffic violation citation.

ARTICLE XIV – WORK UNIFORMS

Section 1. All Employees are required to wear work-boots while on Company time. Temporary variance of this requirement can be arranged only to accommodate a physician's orders when an Employee is otherwise able to perform his/her duties without limitation.

Section 2 The Company will provide five uniforms each year for Employees for their first year of service. Uniforms may include golf-type shirts, specified and approved by the Company.

Section 3. During November, following each Employee's first anniversary date, and each year thereafter, the Employee may elect to receive six uniforms or to receive three uniforms and a work-boot allowance, or jacket, or coverall, or lined coverall equal to the cost of three uniforms. The work-boot allowance will be disbursed only after a receipt for purchase has been presented to the Division Manager. Jackets and/or coveralls must be ordered from the Company's uniform supplier from among items approved by the Company. Should the cost of such ordered items exceed the cost of three uniforms, the excess is to be paid by the Employee.

Section 4. The Company will replace any badly soiled or damaged uniforms if the Employee returns the uniform to the Employee's Division Manager and the Division Manager agrees that replacement is appropriate.

ARTICLE XV – PAGERS

Section 1. The Manager and the Employees in each Division will, within the following parameters, agree upon a schedule under which at least one Employee will carry a pager and be reasonably available to respond to emergencies and/or customer calls occurring during non-working hours.

- a. All qualified Employees will be expected to participate. One qualified Employee in each Division will accept the primary Employee designation and

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respond to emergencies and/or customers' calls occurring during non-working hours for an entire week (Monday through Sunday). The primary Employee will have the pager in the Employee's possession at all times. The primary Employee shall be paid for **one** additional hour per **day** at the Employee's normal straight time hourly wage rate for carrying the pager (plus one additional hour of pay at the normal straight time hourly rate for each holiday **on which an Employee carries the pager**) plus payment as specified in Article VIII of this Agreement if the Employee responds to any call-out received during the week. The additional hours of pager pay will be subject to forfeiture and other disciplinary action may be taken if the primary Employee does not respond to the pager unless the Employee has transferred the responsibility as provided in the next paragraph.

b. The primary Employee may transfer the responsibility to any other qualified, willing Employee. Transfer of responsibility to another such Employee will require the transfer of the pager as well. The Division Manager shall be notified in advance of any such transfer. However, if the Manager is not reasonably available for such advance notification, the manager must be notified as soon as possible thereafter.

Section 2. Any other arrangements to assure that one or more Employees are available to respond to call-outs must be arranged between the Employees and their Division Manager and approved by an officer of the Company.

ARTICLE XVI - GRIEVANCES AND ARBITRATION

Section 1. A grievance is defined as any dispute, controversy or disagreement as to the application or interpretation of any provision of this Agreement and any complaint by an employee alleging unjust treatment by a Supervisor. An Employee or the Union may present a grievance. The Company cannot file a grievance.

Section 2. Prior to filing a written grievance, the matter in dispute should be discussed between the Employee and the Employee's Division Manager and/or between the Union's representative and the Company's representative in an attempt at settlement. If not resolved, a written grievance shall be processed.

Section 3. The grieving party shall submit a written grievance, clearly stating the issues and contentions, to the Company within twenty-one (21) calendar days following the event which gave rise to the grievance. Upon receipt of the written grievance, the Company will reply in writing within the subsequent fifteen (15) day period.

Section 4. If the grievance is not satisfactorily adjusted in Section 3, the Union may

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submit the issue to arbitration. The written demand for arbitration must specifically identify the provision of this Agreement which is alleged to have been breached and the notice must be dispatched to the Company within ten (10) days following receipt of the written reply in Section 3.

Section 5. Within seven (7) days after receipt of the written demand for arbitration, the parties shall attempt to select an impartial arbitrator. If they are unable to agree upon such a selection, the Union may forthwith request the Federal Mediation and Conciliation service to submit a list of seven (7) disinterested persons qualified and willing to act as impartial arbitrators, and simultaneously mail a copy of such request to the Company. From this list, within seven (7) days after receipt thereof, the Company and the Union shall alternately strike one (1) name until six (6) names have been eliminated and the person whose name remains shall be selected as impartial arbitrator. The parties shall draw lots to determine who shall make the first selection from the list.

Section 6. The arbitrator shall hear the submitted grievance as expeditiously as possible and shall render a decision within thirty (30) days after the conclusion of the last hearing, unless extended by mutual agreement. The decision shall be final and binding on all parties.

The arbitrator shall have the jurisdiction and authority only to interpret, apply or determine compliance with the provisions of this Agreement. The arbitrator shall not have the jurisdiction or authority to alter, change, modify, add or subtract from this Agreement or any provision thereof, or to determine any provision to be incorporated in a new agreement or an extension or a renewal of this Agreement.

The expense of the arbitrator shall be borne equally by the Company and the Union. Any other expenses shall be paid for by the party incurring them.

Section 7. Failure of an Employee or the Union to submit grievances in writing within the time limits herein provided shall constitute waiver of all rights under this Agreement to file such grievance. All time limits provided in this Article may be extended by mutual agreement of the parties in writing.

ARTICLE XVII - DURATION

This Agreement shall be in full force and effect from January 1, 2003, and shall remain in force through December 31, 2003 and annually thereafter until either party hereto shall give to the other party at least sixty (60) days written notice of desire for change, amendment or termination. It is mutually understood and agreed that all previous agreements and understandings, if any, and all negotiations, whether oral or written, by and between the

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Company and the Union, are superseded by this Agreement.

IN WITNESS WHEREOF, the parties hereto have hereunto set their hands and seals by their respective duly authorized officers and representatives, on the day and year written.

ARIZONA WATER COMPANY

LOCAL UNION NO. 387 of the
INTERNATIONAL BROTHERHOOD
OF ELECTRICAL WORKERS

By: William M. Mansfield

Title: PRESIDENT

Date: 1-28-2004

By: Roy W. Sapp

Title: ASSISTANT BUSINESS MANAGER

Date: 1-29-2004

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APPENDIX "A" - JOB CLASSIFICATION AND WAGE SCHEDULE

EFFECTIVE: **January 17, 2004**

CLASSIFICATION	HOURLY
<u>Laborer</u>	\$12.496
Laborers that are ADEQ certified operators	\$13.679
 <u>Meter Reader</u>	
1st 6 months	\$14.861
2nd 6 months	\$16.762
3rd 6 months	\$18.244
Thereafter	\$19.832
 <u>Serviceman/Servicewoman</u>	
1st 6 months	\$15.264
2nd 6 months	\$17.399
3rd 6 months	\$19.019
Thereafter	\$20.745
 <u>Senior Serviceman/Senior Servicewoman</u>	\$21.744
 <u>Meter Repairman/Repairwoman and Tester</u>	
1st 6 months	\$15.295
2nd 6 months	\$16.537
3rd 6 months	\$17.210
4th 6 months	\$17.882
5th 6 months	\$18.554
6th 6 months	\$19.261
7th 6 months	\$19.935
8th 6 months	\$20.609
Thereafter	\$22.657
 <u>Meter Repairman/Repairwoman and Tester - Senior</u>	\$23.570